



January 5, 2011

VIA ELECTRONIC and INTEROFFICE MAIL

Alex Gurza
Director
City of San Jose
Office of Employee Relations
200 East Santa Clara Street
San Jose, CA 95113

Re: CEO Negotiations

Dear Alex,

I am in receipt of your December 17, 2010 correspondence re "City/MEF and CEO Negotiations" and "Retirement Negotiations". In these letters, you are seeking information regarding the structure and timing of labor negotiations by the Confidential Employees Organization (hereinafter referred to as "CEO") with the City of San Jose (hereinafter referred to as "City").

You have requested information regarding possible participation by CEO in a "coalition bargaining" structure for "negotiations on retirement benefits". The term "retirement benefits" is overly broad, vague and ambiguous requiring speculation and conjecture as to the scope of the negotiations. As such, CEO is unable to respond to the request for coalition bargaining pertaining to "retirement benefits" without further definition or information. Please provide me with further information regarding specifics of the subject matter and scope of the negotiations.

Pursuant to the Memorandum of Agreement with the City, executed on September 19, 2008 (hereinafter referred to as "MOA") CEO is under no obligation to participate in contract negotiations until August, 2011. In addition, you are requesting a change in the structure of the negotiations, suggesting coalition bargaining with our sister group AFSCME Municipal Employees Federation (hereinafter referred to as "MEF"). Since your correspondence requests substantive changes to the negotiations as stated in the current

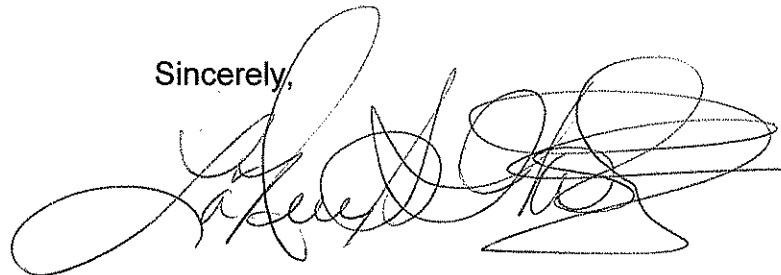
MOA, this request must be discussed and no action will be taken until the full CEO Executive Board and membership has met regarding this matter.

Due to the timing of the correspondence (one week prior to the Christmas holiday and request for a response three days after the New Year holiday), I was unable to meet with the full CEO Executive Board and the membership to discuss these requests. As such, I am unable to provide you with an answer to the requests presented in your December 17, 2010 correspondence at this time.

I will be meeting with my full Executive Board and membership later this month to discuss your December 17, 2010 correspondence regarding coalition bargaining with MEF. In addition, I will need to meet with MEF Executive Board members (and possibly the general membership) to discuss this request. I am anticipating obtaining all of the necessary information in February, 2011 and responding to your request by February 15, 2011.

Please let me know if you have any questions or concerns.

Sincerely,

A large, stylized handwritten signature in black ink, likely belonging to LaVerne S. Washington, is written over a horizontal line.

LaVerne S. Washington
CEO President

cc: Charles Allen
Greg Ramirez
Keith Uriarte
Yolanda Cruz